

# **FISCAL NOTE**

## **SB 1370 - HB 1409**

April 15, 2003

**SUMMARY OF BILL:** Authorizes a private act metropolitan hospital authority to enter into interest rate swap or exchange agreements, agreements establishing interest rate floors or ceilings or both, and other interest rate hedging agreements and forward purchase agreements. Provides for the State Funding Board to establish guidelines with respect to such agreements or contracts. Requires authority to submit any agreement or contract to the Comptroller's office for a report on whether or not such agreement or contract complies with the established guidelines.

### **ESTIMATED FISCAL IMPACT:**

**Decrease Local Govt. Expenditures - Exceeds \$100,000 / Permissive**

Estimate assumes:

- to the extent private act metropolitan hospital authorities choose to enter into agreements, as provided for in the bill, they will experience a decrease in expenditures from savings generated by such agreements. The impact depends on the market conditions, the size and term of the referenced debt, and the terms of the agreement; however, any savings are estimated to exceed \$100,000 for authorities statewide.
- the affected entities will not enter into agreements unless savings are anticipated or market risk is reduced.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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